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1991/10/08

**United States-People's Republic of China
Bilateral Airworthiness Agreement**

- A. Executive Agreement
- B. Schedule of Implementation Procedures
- C. Working Plan between CAAC and FAA
- D. FAA/CAAC Working Procedures Relative to Surveillance of MD-80 Series Aircraft
Manufactured in the People's Republic of China

(1)

EMBASSY OF THE
UNITED STATES OF AMERICA

October 8, 1991

Excellency:

I have the honor to refer to the discussions which have recently taken place between representatives of our two Governments regarding an agreement concerning the airworthiness certification, approval, or acceptance of imported civil aeronautical products and cooperation on this matter between the Government of the United States of America and the Government of the People's Republic of China, hereinafter referred to as "the Contracting States." It is my understanding that the Agreement shall be as follows:

His Excellency

Qian Qichen,

1. PURPOSE

The purpose of this Agreement is to facilitate the airworthiness certification, approval, or acceptance by the civil airworthiness authority of the importing State of civil aeronautical products imported and exported between the United States and the People's Republic of China; to provide for the development of procedures between the two authorities for this purpose and to accommodate the emerging trend toward multinational design, production, and interchange of civil aeronautical products; and to provide for cooperation toward sustaining equivalent safety objectives.

2. BASIS

(a) Each Contracting State has determined that the standards and systems of the other Contracting State for the production and airworthiness certification, approval, or acceptance of civil aeronautical products are sufficiently equivalent to its own in respect to the scope of this Agreement to make this Agreement practicable;

(3)

(b) Each Contracting State agrees to employ procedures for granting airworthiness certification, approval, or acceptance for civil aeronautical products exported from the other Contracting State so as to give maximum practicable credit for inspections, marks of conformity, and certifications accepted or issued by the civil airworthiness authority of the exporting State in granting its own domestic certification of the products; and,

(c) In the interest of promoting aviation safety, each Contracting State agrees to encourage cooperation and assistance between its civil airworthiness authority and that of the other Contracting State toward achieving common safety objectives, to establish and maintain airworthiness standards and certification systems which are as similar to those of the other Contracting State as is practicable, and to cooperate to discharge effectively each Contracting State's airworthiness responsibilities while reducing, to the minimum, the economic burden imposed on each Contracting State's aviation industries and operators by avoiding redundant evaluations and inspections.

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3. SCOPE OF COVERAGE

This Agreement applies to:

(a) The acceptance by the People's Republic of China civil airworthiness authority of the type design approval of civil aeronautical products for which the United States civil airworthiness authority is the basic type certificating authority;

(b) The acceptance by the United States civil airworthiness authority of the type design approval of civil aeronautical products for which the People's Republic of China civil airworthiness authority is the basic type certificating authority once the United States civil airworthiness authority makes a determination that the PRC airworthiness system is capable of, and is similar to the U.S. system in, producing equivalent results;

(c) The acceptance by the United States civil airworthiness authority of the production approval and airworthiness certification or approval of civil aeronautical products for which the People's Republic of China manufacturer holds the manufacturing rights to a



United States type certificate under a licensing agreement with a United States manufacturer, or with a manufacturer in another State with which the United States has an agreement for the reciprocal acceptance of type design certifications;

(d) Technical cooperation and assistance including the exchange of information between the civil airworthiness authorities of the Contracting States toward developing and maintaining equivalent safety standards and the application of equivalent certification systems.

4. DEFINITIONS

For the purposes of this Agreement:

(a) "Airworthiness criteria" means criteria governing the design, performance, materials, workmanship, manufacture, maintenance, and alternation or modification of civil aeronautical products to be imported, as prescribed by the civil airworthiness authority of the importing State, to enable it to find that the design, construction, and condition of the product comply with the laws, regulations, standards, and requirements of the importing State concerning airworthiness.

(b) "Civil aeronautical product" (herein also referred to as "product") means any civil aircraft, or aircraft engine, propeller, appliance, material, part, or component to be installed thereon.

(c) "Civil airworthiness authority" (herein also referred to as "airworthiness authority") means the national government agency within a Contracting State which is charged by the laws of that State with regulating the airworthiness certification, approval, or acceptance of civil aeronautical products.

(d) "Exporting State" means the Contracting State making a certifying statement to the importing State concerning a product's compliance with the airworthiness criteria.

(e) "Importing State" means the Contracting State accepting a certifying statement from the exporting State concerning a product's compliance with the airworthiness criteria.

(f) "Product airworthiness approval" means the issuance of an airworthiness certificate, approval, or acceptance, as appropriate, by an airworthiness authority for a particular civil aeronautical product to permit operation or use of the product under the laws, regulations, standards, and requirements of the issuing State.

(g) "Type design approval" means the certification, approval, or acceptance by the issuing airworthiness authority of the design of a product including its performance, operating characteristics, and operating limitations.

5. PRODUCT AIRWORTHINESS APPROVAL

If the airworthiness authority of the exporting State certifies to the airworthiness authority of the importing State that a product, for which a type design approval has been issued or is in the process of being issued by the airworthiness authority of the importing State, or by the airworthiness authority of another State with which the importing State has a reciprocal airworthiness agreement and

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in which the exporting manufacturer has a licensing agreement with the type design approval holder, conforms in construction to a type design description notified by the airworthiness authority of the importing State and is in a condition for safe operation, the importing State shall give the same validity to the technical evaluations, tests, and inspections made by the airworthiness authority of the exporting State as if it had made them itself on the date of the certification by the airworthiness authority of the exporting State. Additional inspections may be made by the airworthiness authority of the importing State at the time of its airworthiness certification, approval, or acceptance as it deems necessary to ensure that the product has not been changed or has not deteriorated since the date of certification by the airworthiness authority of the exporting State.

6. NOTIFICATION OF MANDATORY ACTIONS

The airworthiness authority of each Contracting State shall keep the airworthiness authority of the other Contracting State fully informed of all mandatory

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airworthiness modifications, special inspections, special operating limitations, or other actions which it determines are necessary for continuing airworthiness of products manufactured in either Contracting State that have been imported or exported under this Agreement.

7. MUTUAL COOPERATION AND ASSISTANCE

(a) The airworthiness authorities of the Contracting States shall cooperate in analyzing the airworthiness aspects of accidents and incidents involving products covered by this Agreement.

(b) The airworthiness authority of each Contracting State shall keep the airworthiness authority of the other Contracting State currently informed of all relevant airworthiness laws, regulations, standards, and requirements, and of the airworthiness certification system of their State. The airworthiness authority of each Contracting State shall, to the maximum extent practicable, notify the airworthiness authority of the other Contracting State of any plans to make significant revisions to its

standards and system for airworthiness certification or approval; shall, to the maximum extent practicable, offer the other authority an opportunity to comment; and, shall give due consideration to the comments made by the other authority on the intended revision.

(c) In the case of differing interpretations of the airworthiness criteria pertaining to certifications, approvals or acceptance for import under this agreement, the civil airworthiness authority of the exporting State may request consultations regarding the relevant criteria prior to the issuance of a final interpretation of the airworthiness standards of the importing State, so as to meet the requirements of the civil airworthiness authority of the importing State.

8. IMPLEMENTATION

(a) Each Contracting State shall keep the other Contracting State advised as to the identity of its airworthiness authority. On the date of this Agreement, the civil airworthiness authority of the United States is the

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Federal Aviation Administration, Department of Transportation; and on the date of the Agreement, the civil airworthiness authority of the People's Republic of China is the Civil Aviation Administration of China. On behalf of their respective Governments, both airworthiness authorities are responsible for implementing this Agreement.

(b) The FAA, CAAC, and where appropriate, the airworthiness authority of the State where the licensing manufacturer is located, shall mutually develop the procedures and conditions necessary to implement this Agreement. These procedures and conditions shall be set out in an implementation document to be concluded between the FAA and the CAAC. The CAAC and the FAA shall review these procedures and conditions from time to time and may amend the implementation document by written agreement as necessary to fulfill the intent of the Agreement.

9. AMENDMENT

If either of the Contracting States considers it desirable to amend any provisions of this Agreement, it may at any time request consultations with the other Contracting State. Any amendment to the Agreement agreed upon as a result of these consultations shall be concluded by the Contracting States by an exchange of diplomatic notes.

10. TERMINATION

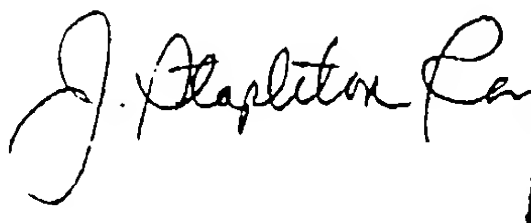
This Agreement may be terminated by either Contracting State by written notification through the diplomatic channel. Such termination shall take effect six months following the date of the written notification.

This agreement is done in both English and Chinese, both texts being equally authentic.

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If the foregoing proposals are acceptable to the Government of the People's Republic of China, I have the honor to propose that this Note, and your Excellency's affirmative Note in reply, shall constitute an Agreement between our two Governments on this matter which shall enter into force on the date of your reply.

Accept, Excellency, the renewed assurances of my highest consideration.



SCHEDULE OF IMPLEMENTATION PROCEDURES

FOR THE

U.S./PEOPLE'S REPUBLIC OF CHINA BILATERAL AIRWORTHINESS AGREEMENT

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INTRODUCTION

This document contains the procedures developed by the Federal Aviation Administration (FAA) and the Civil Aviation Administration of China (CAAC), hereinafter referred to as the Parties, to implement the Agreement between the Government of the United States of America (U.S.) and the Government of the People's Republic of China (PRC) concerning the airworthiness certification, approval, or acceptance of imported aeronautical products affected by exchange of notes at Beijing, PRC, Month, day, 1991, and is intended to facilitate the mutual cooperation and technical assistance for aircraft and other aeronautical products being manufactured in the U.S. and in the PRC. It may be jointly reviewed at any time at the request of either the FAA or CAAC and will be reviewed periodically, taking into account improvements, additions, or changes suggested by either the FAA or CAAC, by U.S. or PRC aviation industry associations or their member companies, or by other interested parties, to ensure that the procedures remain current. Amendments may be developed by the FAA Director of Aircraft Certification Service and the CAAC Director of the Airworthiness Aircraft Department, and issued following approval by the FAA Administrator and the CAAC Director General.

These procedures provide for designated officials within the FAA and CAAC to make special arrangements as they deem necessary in unique situations to implement this Schedule.

Suggestions for improvement are welcomed and can be addressed to either of the addresses below, which are responsible for the administrative process of keeping this document current.

(FAA address) Aircraft Certification Service, AIR-4
Federal Aviation Administration
800 Independence Avenue, SW.
Washington, D.C. 20591, U.S.A.

Tel: (1-202) 267-9559
Fax: (1-202) 267-9562

(CAAC address) Aircraft Airworthiness Department
Civil Aviation Administration of China
155 Dong Si Street, West
Beijing 100710, China

Tel: (86-1) 401-2233, Ext: 8313
Fax: (86-1) 403-3087

SCHEDULE OF IMPLEMENTATION PROCEDURES
U.S./PEOPLE'S REPUBLIC OF CHINA BILATERAL AIRWORTHINESS AGREEMENT

CHAPTER 1. GENERAL.

10. Purpose. This Schedule sets forth procedures agreed upon between the Federal Aviation Administration (FAA) and the Civil Aviation Administration of China (CAAC) to carry out the objectives of the Agreement between the United States of America and the People's Republic of China, hereinafter referred to as the Contracting States, concerning the airworthiness certification of imported civil aeronautical products, effected by exchange of notes at Beijing, PRC, Month, day, 1991.

11. Basis. The basis for this Schedule, which is authorized by Article 8 of the Bilateral Airworthiness Agreement (BAA), is stated in Section 2 of the BAA.

12. Termination. Either Party may terminate this Schedule upon six months written notice to the other Party.

13. Objectives. The objectives of this Schedule are to carry out the Purpose and Scope clauses of the BAA and are intended to ensure that:

130. Accountability. The procedures enable the persons responsible for a product's design integrity and manufacturing quality assurance/control, and the airworthiness authority having jurisdiction over these activities, to be identified for the products imported, and establish that adequate technical capability is available to ensure that safety issues which may arise with regard to the product in service will be satisfactorily resolved in a timely manner.

131. Mutual cooperation and technical assistance. The procedures enable the FAA and the CAAC to exchange appropriate information needed to understand and conduct the approval and monitoring processes within the scope of the BAA and to cooperate when technical assistance is needed by either airworthiness authority in fulfilling its national airworthiness regulatory duties.

132. Special arrangements. The procedures provide for the resolution by the FAA and the CAAC by special arrangement, as necessary, of urgent or unique situations not envisaged in this Schedule, provided the situation falls within the scope and purpose of the BAA.

14. Definitions. For the purpose of this Schedule, the definitions in Article 4 of the BAA shall apply. As used in this

Schedule, the following definitions are provided to supplement those definitions contained in Article 4 of the BAA.

(a) "Component" means a part, material, or subassembly intended for use on an aeronautical product.

(b) "Conformity" means that a product is examined against pertinent type design, test, and quality control data and is found to meet those data.

(c) "Exporting Civil Aeronautical Authority" means the national organization within the exporting State, charged by the laws of the exporting State with regulating the airworthiness and environmental certification, approval, or acceptance of civil aeronautical products. The exporting civil aeronautical authority will be referred to herein as the exporting authority.

(d) "Importing Civil Aeronautical Authority" means the national organization within the importing State, charged by the laws of the importing State with regulating the airworthiness and environmental certification, approval, or acceptance of civil aeronautical products. The importing civil aeronautical authority will be referred to herein as the importing authority.

(e) "Manufacturer" means the person responsible for the final assembly of a product under the airworthiness authority-approved quality assurance system which ensures conformity of the product to an approved type design and its condition for safe operation.

(f) "Person" means an individual, firm, partnership, corporation, company, association, joint-stock association, or government entity. It includes a trustee, receiver, assignee, or similar representative of any of them.

(g) "Supplier" means a person who contracts to provide a component to a product manufacturer to be incorporated into the manufacturer's civil aeronautical product.

CHAPTER 2. ACCOUNTABILITY.

20. General. Each airworthiness authority has responsibility to the other to ensure both design or manufacturing deficiencies are corrected as specified in this chapter on products which were imported or exported under the BAA and which have current type certificates or production approvals issued by that airworthiness authority to a person located in its State. When a person in the Contracting State holds only design or manufacturing responsibility, that airworthiness authority's responsibility under this chapter is equally limited. These responsibilities include:

210. Communication. The need for FAA/CAAC dialogue to ensure that the same or consistent information and requirements are issued on a given product;

211. Notification of unsafe conditions. When the service experience in the importing State indicates the existence of an unsafe condition associated with the design, manufacture, or maintenance of a product, such information should be provided promptly to the exporting authority. When such information is provided, the exporting authority should give expedient attention to the information and consider appropriate action to correct the condition.

212. Accident/incident investigation assistance. When an importing authority needs airworthiness information for the investigation of service incidents or accidents involving a product imported under this BAA, the request for the information should be directed to the appropriate exporting authority office. In turn, upon receipt of the request for information, the exporting authority should immediately do everything necessary to make sure the requested information is provided in a timely manner. If urgency requires that the importing authority request the information directly from the manufacturer, the importing authority shall immediately inform the responsible exporting authority office of this action.

213. Mandatory airworthiness actions. In the case of mandatory airworthiness actions, each airworthiness authority shall keep the other fully informed in a timely manner of all mandatory airworthiness modifications and special inspections which are determined to be necessary on products designed or manufactured in either State. The issuing airworthiness authority shall identify the safety problem (unsafe condition) requiring the mandatory airworthiness action. A standard notification system shall be established which will ensure that all such actions are promptly notified to the other airworthiness authority. In the case of emergency airworthiness information, the issuing airworthiness authority should ensure special handling so that the other airworthiness authority is notified immediately and can take appropriate parallel action within the constraints of the original action. Unless differing operational conditions obviate the need, the other airworthiness authority shall issue expedient and consistent mandatory airworthiness information to operators of the product in its country.

CHAPTER 3. MUTUAL COOPERATION AND TECHNICAL ASSISTANCE.

30. Communications and Meetings. Applicants for product type design approval frequently request technical meetings or correspond directly with the importing authority to discuss and resolve technical issues that commonly arise in the applicants' programs. Because each airworthiness authority relies heavily on

the other's understanding of its position on such issues, the exporting authority shall be included in any such meetings or correspondence. Also, each airworthiness authority shall seek the other airworthiness authority's opinions before significant issues regarding an applicant's program are resolved and, accordingly, will generally discourage a meeting with the applicant to discuss and resolve technical issues unless the other airworthiness authority is also invited. Similarly, correspondence will generally be answered through, coordinated with, or copied to the exporting authority.

31. Technical Evaluation Assistance. Upon request and mutual agreement, one airworthiness authority may provide to the other airworthiness authority, or may provide on behalf of the other airworthiness authority, technical evaluation assistance in furtherance of the purposes and objectives of the BAA. Such areas of assistance may include, but are not limited to, witnessing tests, performing inspections, reviewing reports, and obtaining data. At the request of the importing authority, the exporting authority shall, in respect of products designed or manufactured in that State, assist the importing authority in determining action considered necessary by the importing authority for the continued airworthiness of the product. The respective decision as to the final action to be taken lies solely with the importing authority.

32. Exchange of Information on Standards and Certification Systems. It is recognized that an essential factor in a smoothly operating BAA is a thorough and up-to-date knowledge by the exporting authority of the regulations, policies, practices, and interpretations of the importing authority. Early efforts should ensure that each airworthiness authority has in its possession a complete set of the other airworthiness authority's written regulations, guidance, policies, practices, and interpretations, or have a source for such information. Since such regulations, policies, practices, and interpretations are continually undergoing review and revision, it is imperative that the exporting authority's maximum practicable involvement in the review and revision process be permitted and encouraged. This should take the form of early and direct notification of all comments resulting, and early notification of the text, impact, and effective date of any adopted changes.

33. Supplier Provision. As provided in Section 31 of this Schedule, the airworthiness authority of the State in which a product manufacturer is located may request conformity certificates of the airworthiness authority in the State in which the product manufacturer's supplier is located for specified components produced by that supplier.

330. Request for conformity certifications. Requests for such certifications would be considered when an agreement has been obtained from the civil airworthiness authority in the State which the supplier is located, following consultations between the two civil airworthiness authorities on the specific work to be performed that may require the development of special procedures, and when:

(a) The product manufacturer has developed and implemented quality control procedures acceptable to the product manufacturer's airworthiness authority to ensure that the supplier-furnished components will meet the pertinent design data and be in a condition for safe operation. This would include provisions for the product manufacturer to make initial on-site supplier capability evaluations and first article inspections and perform any subsequent audits, source inspections, etc., at the supplier facility, as necessary, to make the final airworthiness determination.

(b) The product manufacturer airworthiness authority--not the product manufacturer--makes the request for conformity certifications when the airworthiness authority finds such certifications necessary to ensure that the product manufacturer is demonstrating adequate control of the particular supplier.

(c) The product manufacturer airworthiness authority notifies to the supplier airworthiness authority the design, test, and quality control requirements to which the component must conform.

331. Component categories. Requests for conformity certifications should be limited to components that are of such complexity that they are not inspectable by the product manufacturer prior to installation in the final product and fall into one of the following categories:

(a) Prototype components to be used for design evaluation purposes; e.g., type approval/type certification programs.

(b) Pre-production components; i.e., components to be used in a completed product submitted for airworthiness certification or approval after a type certificate has been issued but before production privileges have been granted.

(c) First article inspections on production components which fall into a priority part category.

(d) Production components, when feedback to the product manufacturer civil aeronautical authority reveals a safety problem.

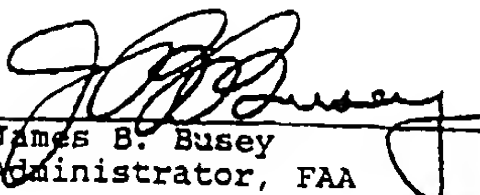
IMPLEMENTATION PROCEDURE

332. Deviations. The supplier's airworthiness authority will note any deviations from the requirements notified by the product manufacturer airworthiness authority on the conformity certification for the particular component. (22)

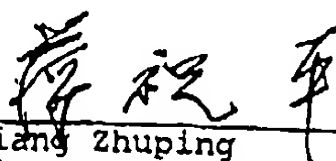
CHAPTER 4. SPECIAL ARRANGEMENTS.

It is anticipated that urgent or unique situations will develop--with respect to design, product airworthiness certification or acceptance, or technical assistance--which have not been specifically addressed in this Schedule of Implementation Procedures, but which are anticipated by the BAA. When such a situation arises, it shall be reviewed by the respective FAA Aircraft Certification Director and the CAAC Director of the Aircraft Airworthiness Department, and a procedure developed to address the situation. The procedure shall be mutually agreed upon by the FAA and the CAAC in a separate implementation document. If it is apparent that the situation is unique, with little possibility of repetition, then the implementation document shall be of limited duration. However, if the situation has anticipated new technology or management developments which will lead to further repetitions, then this Schedule of Implementation Procedures shall be revised accordingly by the FAA Administrator and the CAAC Director General. It should be noted that, when the unique or urgent situation falls within the responsibility of an FAA Aircraft Certification Directorate Manager, that Manager will be responsible for developing the necessary procedures.

This Schedule of Implementation Procedures has been reviewed and approved by the undersigned.


James B. Busey
Administrator, FAA

5 August 1991
Date


Jiang Zhuping
Director General, CAAC

1991.10.19
Date

APPENDIX A

List of addresses for FAA Aircraft Certification Offices and CAAC Aircraft Airworthiness Department Regional Offices.

1.0 FAA AIRCRAFT CERTIFICATION OFFICES

Brussels ACO (AEU-100)

Address all correspondence to Manager, Aircraft Certification Staff.

15 rue de la Loi, (3rd Floor)
B-1040
Brussels, Belgium

(Mail address from North America)
c/o American Embassy
APO New York, NY 09667-1011

Tel. 322-513-3830 Ext. 2710
Fax. 322-230-0534

Boston ACO

12 New England Park
Burlington, Mass. 01830

Tel. 617-273-7118
Fax. 617-273-2412

New York ACO

181 South Franklin Avenue
Room 202
Valley Stream, NY 11581

Tel. 516-791-6680
Fax. 516-791-9024

Atlanta ACO

Suite 210
1669 Phoenix Parkway
Atlanta, GA 30349

Tel. 404-991-6121
Fax. 404-991-7261

Chicago ACO

Room 232
2300 East Devon Avenue
Des Plaines, IL 60018

Tel. 312-694-7357
Fax. 312-694-7310

Wichita ACO

Room 100
1801 Airport Road
Mid-Continent Airport
Wichita, KN 67209

Tel. 316-946-4400
Fax. 316-946-4407

Seattle ACO

1601 Lind Avenue, S.W.
Renton, Washington 98055-4056

Tel. 206-227-2104
Fax. 206-227-1100

Anchorage ACO

Federal Building
P.O. Box 12, 701 C St.
Anchorage, AK 99515

Tel. 907-271-5927
Fax. 907-276-7261

Denver ACO

10455 East 25th Avenue
Aurora, CO 80010

Tel. 303-340-5575
Fax. 303-340-5430

Los Angeles ACO

3: 9 East Spring Street
Lor.- Beach, CA 90806-2425

Tel. 213-988-5200
Fax. 213-988-5210

Fort Worth ACO

Mailing Address:
Fort Worth ACO
Fort Worth, Texas 76193-01⁵00

Street Address:
4400 Blue Mound Road
Fort Worth, TX ~~76101~~ 76193

Tel. 817-624-5150
Fax. 817-624-5031-
5988

AIRCRAFT CERTIFICATION DIRECTORATES

Aircraft certification Directorates have formulation and standardization responsibilities for specific types of aircraft and aeronautical products.

Engine and Propeller Directorate

Regulatory and policy responsibility for all aircraft engines and propellers.

12 New England Executive Park
Burlington, Massachusetts 01803

Tel. 617-270-7100
Fax. 617-270-2412

Rotorcraft Directorate

Regulatory and policy responsibility for normal and transport category rotorcraft.

Mailing Address:
Rotorcraft Directorate
Fort Worth, Texas 76193-0100

Street Address:
4400 Blue Mound Road
Fort Worth, Texas 76193

Tel. 817-624-5108
Fax. 817-624-5988

Small Airplane Directorate

Regulatory and policy responsibility for:

1. Airplanes weighing less than 12,500 pounds and having passenger configurations of 9 seats or less,
2. Commuter airplanes weighing 19,000 pounds or less, with passenger configurations of 19 seats or less, and
3. Gliders, airships, and hot air balloons.

601 East 12th Street
Kansas City, Missouri 64106

Tel. 816-426-6937
Fax. 816-426-2169

Transport Airplane Directorate

Regulatory and policy responsibility for all transport category airplanes.

1601 Lind Avenue, S.W.
Renton, Washington 98055-4056
Tel. 206-227-2104
Fax. 206-227-1100

2.0 Aircraft Certification Centers of CAAC (ACC)

Shanghai ACC

East China Administration
Shanghai Hong Qiao Airport 200335

Tel: (86-21) 2558899 EXT 2237 or 2135
Fax: (86-21) 2558899 EXT 2197

Xian ACC

Northwest Administration
Xian Xiguan Airport 723000

Tel: (86-29) 43892/41989 EXT 2939 or 2810
Fax: (86-29) 43892 EXT 2830

Shen Yang ACC

Northeast Administration
Shen Yang Dong Ta Airport 110043

Tel: (86-24) 851133 EXT 4375 or 4376
Fax: (86-24) 442625

WORKING PLAN BETWEEN CIVIL AVIATION ADMINISTRATION
OF CHINA (CAAC) AND FEDERAL AVIATION ADMINISTRATION (FAA)
TRANSPORT AIRPLANE DIRECTORATE

THE FEDERAL AVIATION ADMINISTRATION (FAA) HAS AGREED TO PERMIT THE MCDONNELL DOUGLAS CORPORATION (MDC) TO ASSEMBLE MD-80 SERIES AIRCRAFT IN THE PEOPLE'S REPUBLIC OF CHINA (PRC) BY EXTENDING THEIR PRODUCTION CERTIFICATE (PC) TO INCLUDE THE SHANGHAI AVIATION INDUSTRIAL CORPORATION (SAIC), SHANGHAI, PRC.

THE UNITED STATES FEDERAL AVIATION ADMINISTRATION AND THE CIVIL AVIATION ADMINISTRATION OF CHINA (CAAC) HAVE PREVIOUSLY ESTABLISHED A WORKING PROCEDURE RELATIVE TO SURVEILLANCE OF MD-80 SERIES AIRCRAFT MANUFACTURED IN THE PEOPLE'S REPUBLIC OF CHINA IN ORDER TO MITIGATE THE BURDEN ON THE FAA IN ADMINISTERING THE APPLICABLE FEDERAL AVIATION REGULATIONS (FAR). FAA SURVEILLANCE OF THE MDC PRODUCTION CERTIFICATE ACTIVITIES AT SAIC WILL BE CONDUCTED BY THE CAAC ON BEHALF OF, AND UNDER GUIDANCE OF THE FAA.

AS STATED IN THE FAA/CAAC WORKING PROCEDURE, MDC WILL HAVE TOTAL RESPONSIBILITY FOR THE PRODUCTION OF THE MD-80 SERIES AIRCRAFT AT BOTH THE MDC, LONG BEACH, CALIFORNIA, U.S. AND SAIC FACILITIES INCLUDING ACCOUNTABILITY FOR AIRCRAFT DESIGN, MANUFACTURE AND CONTINUING AIRWORTHINESS. ANY VIOLATION OF THE FEDERAL AVIATION REGULATIONS ORIGINATING IN EITHER THE U.S. OR THE PRC WOULD BE DIRECTED TO MDC'S PC HELD AT THE MDC, LONG BEACH, CALIFORNIA, FACILITY. MD-80 SERIES AIRCRAFT PRODUCED IN THE PRC UNDER PC NO. 27 EXTENSION WILL BE CONSIDERED AS U.S. MANUFACTURED.

THE MUTUALLY AGREED UPON WORKING PLAN FUNCTIONS TO BE PERFORMED BY THE CAAC ON BEHALF OF AND UNDER THE DIRECTION OF THE US-FAA ARE LISTED BELOW. THE CAAC WILL PERFORM THESE FUNCTIONS TO FAA REQUIREMENTS AS NOTED IN FAA ORDER 8120.2 OR CAAC PROCEDURES DETERMINED BY THE FAA TO BE EQUIVALENT TO THOSE CONTAINED IN ORDER 8120.2 IN THE FOLLOWING AREAS:

1. PERSONALLY WITNESS FIRST ARTICLE INSPECTION/TESTING OF PARTS IDENTIFIED BY THE FAA TO DETERMINE CONFORMITY TO TYPE DESIGN. RECORD FINDING ON FAA FORM 8100-1 AND FORWARD TO THE FAA.
2. MONITOR CONTROLS ON SPECIAL PROCESSES IDENTIFIED BY THE FAA IN ACCORDANCE WITH FAA ORDER 8120.2A, PARAGRAPH 176. RECORD FINDINGS ON FAA FORM 8100-1 AND FORWARD TO THE FAA.
3. CONDUCT CERTAIN CONFORMITY INSPECTIONS/TEST WITNESSING, WHEN REQUESTED, TO PERTINENT DESIGN DATA ON PROTOTYPE OR PRODUCTION PARTS.
 - (1) FOR PROTOTYPE PARTS - OBTAIN FROM THE (APPLICANT) MDC, FAA FORM 8130-9, STATEMENT OF CONFORMITY, APPROPRIATELY COMPLETED IN ACCORDANCE WITH INSTRUCTIONS ON THE BACK OF THE FORM PRIOR TO CONDUCTING ANY INSPECTIONS. FORWARD FORM 8130-9 TO FAA.
 - (2) PROTOTYPE PART(S) CONFORMITY INSPECTIONS WILL BE RECORDED ON FAA FORM 8100-1 AND FORWARDED TO THE FAA.

4. PERFORM PRODUCT AUDIT INSPECTIONS ON ASSEMBLIES, PIECE PARTS, AND INSTALLATIONS IN ACCORDANCE WITH FAA ORDER 8120.2 CHAPTER 15. AUDIT RESULTS AND RECOMMENDATIONS WILL BE RECORDED ON FAA FORM 8100-1 AND FORWARDED TO THE FAA.

5. CONDUCT PRELIMINARY INVESTIGATIONS OF MANUFACTURING RELATED SERVICE DIFFICULTIES, AS REQUESTED BY THE FAA AND REPORT FINDINGS IN ACCORDANCE WITH FAA ORDER 8120.2 PARAGRAPH 129.

6. PERFORM FOLLOW-UP VERIFICATION OF CORRECTIVE ACTIONS TO ENSURE THAT THEY HAVE BEEN ACCOMPLISHED. REPORT RESULTS TO THE FAA WITHIN AN AGREED PERIOD.

7. CONDUCT QUALITY CONTROL SYSTEM AUDITS FOR THE FOLLOWING FUNCTIONS ON AN 18 MONTH CYCLE IN ACCORDANCE WITH FAA ORDER 8120.2 CHAPTER 14 PROCEDURES.

QUALITY CONTROL SYSTEM DATA	TESTING
TECHNICAL DATA CONTROL	MATERIAL REVIEW
MANUFACTURING PROCESSING	RECEIVING INSPECTION
SPECIAL PROCESSES	STORAGE
NON DESTRUCTIVE TESTING	SERVICE DIFFICULTIES
TOOL & GAUGE CONTROL	
AIRWORTHINESS CERTIFICATION	

8. REPORT THE RESULTS OF THE CAAC SURVEILLANCE ACTIVITY, ITEMS 1 - 7 ABOVE, ON A QUARTERLY BASIS TO THE LOS ANGELES MANUFACTURING INSPECTION DISTRICT OFFICE MANAGER. THE RESULTS ARE TO BE IN A LETTER FORM AND MUST BE ACCOMPANIED BY THE FAA FORMS REQUIRED IN ITEMS 1 - 7 ABOVE.

9. THE FAA WILL PROVIDE THE CAAC THE FOLLOWING:

(1) DESCRIPTION OF THE FAA APPROVED DESIGN DATA AND IN THE CASE OF PROTOTYPE PRODUCTS/PARTS, DESCRIPTION OF FAA ACCEPTED DESIGN DATA.

(2) DESCRIPTION OF FAA APPROVED QUALITY CONTROL PROCEDURES.

(3) DESCRIPTION OF ANY SPECIAL REQUIREMENTS AND MANUFACTURING RELATED SERVICE DIFFICULTIES REQUIRING CAAC ACTION ON BEHALF OF FAA.

(4) TWO (2) COMPLETE COPIES OF FAA ORDERS, ADVISORY CIRCULARS, AND OTHER INFORMATION PERTINENT TO THE PRODUCTION SURVEILLANCE ACTIVITIES TO BE PERFORMED BY CAAC.

(5) ANY OTHER MATERIALS REQUESTED BY CAAC.

10. THE FAA AND CAAC WILL EACH DESIGNATE A PERSON AS A POINT OF CONTACT AS RELATED TO THIS WORKING PLAN. THE DESIGNATED PERSONS WILL BE IDENTIFIED IN AN ATTACHMENT TO THIS PLAN.

WORKING PLAN

(21)

11. QUALITY CONTROL SYSTEM AUDITS WILL BE CONDUCTED UNDER THE SUPERVISION OF CAAC REPRESENTATIVES THAT HAVE BEEN TRAINED BY FAA IN PRODUCTION SURVEILLANCE METHODS.

FOR THE FEDERAL AVIATION
ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
THE UNITED STATES OF AMERICA

BY:

[Signature]
MANAGER, TRANSPORT AIRPLANE
DIRECTORATE, ANM-100

FOR THE CIVIL AVIATION
ADMINISTRATION OF CHINA
MINISTRY OF FOREIGN AFFAIRS
THE PEOPLE'S REPUBLIC OF CHINA

[Signature]

DEPUTY CHIEF, AIRWORTHINESS
ENGINEERING DIVISION, CAAC

DATE:

JUN 27 1991

1991.10.19.

ATTACHMENT 1 TO THE WORKING PLAN

BETWEEN THE

UNITED STATES OF AMERICA
DEPARTMENT OF TRANSPORTATION
FEDERAL AVIATION ADMINISTRATION

AND THE
PEOPLE'S REPUBLIC OF CHINA
CIVIL AVIATION ADMINISTRATION OF CHINA

In accordance with paragraph 10, the following persons are designated as the points of contact for routine operational activities:

For the FAA:

Mr. James F. Connelly, Supervisor
Long Beach Manufacturing Inspection Satellite Office
3229 East Spring Street
Long Beach, CA 90806

Telephone: (310) 593-3180
Fax: (310) 982-9546

For the CAAC-AAD:

Mr. Li Hai, Engineer
Airworthiness Engineering Division
Aircraft Airworthiness Department

Telephone: 86-1 4012233-8315
Fax: 86-1 4033087

- FEDERAL AVIATION ADMINISTRATION (FAA) AND CIVIL AVIATION
ADMINISTRATION OF CHINA (CAAC) WORKING PROCEDURES RELATIVE TO SURVEILLANCE OF
MD-80 SERIES AIRCRAFT MANUFACTURED IN THE PEOPLE'S REPUBLIC OF CHINA (PRC)

THE FAA HAS AGREED TO PERMIT THE MCDONNELL DOUGLAS CORPORATION (MDC) TO ASSEMBLE MD-80 SERIES AIRCRAFT IN THE PEOPLE'S REPUBLIC OF CHINA (PRC) BY EXTENDING THEIR PRODUCTION CERTIFICATE (PC) TO INCLUDE THE SHANGHAI AVIATION INDUSTRIAL CORPORATION (SAIC) FACILITY IN SHANGHAI, PRC.

MDC WILL HAVE TOTAL RESPONSIBILITY FOR THE PRODUCTION OF MD-80 SERIES AIRCRAFT AT BOTH THE MDC, LONG BEACH, CALIFORNIA, AND SAIC, SHANGHAI, PRC, FACILITIES INCLUDING ACCOUNTABILITY FOR AIRCRAFT DESIGN, MANUFACTURE, AND CONTINUING AIRWORTHINESS. ANY VIOLATION OF THE FEDERAL AVIATION REGULATIONS ORIGINATING IN EITHER THE U.S. OR PRC WOULD BE DIRECTED TO MDC'S PC HELD AT THE MDC, LONG BEACH, CALIFORNIA, FACILITY. MD-80 SERIES AIRCRAFT PRODUCED IN THE U.S. OR PRC UNDER PC NO. 27 EXTENSION WILL BE CONSIDERED AS U.S. MANUFACTURED AIRCRAFT. THEREFORE, FAA WILL ISSUE THE APPROPRIATE AIRWORTHINESS CERTIFICATE (STANDARD/EXPORT) FOR EACH AIRCRAFT PRODUCED IN THE PRC.

THE AIRCRAFT PRODUCED IN THE PRC WILL COME UNDER ROUTINE FAA SURVEILLANCE PROCEDURES, AND IN ACCORDANCE WITH PROCEDURES REACHED BETWEEN THE FAA AND CAAC. FAA SURVEILLANCE OF THE AIRCRAFT PRODUCED IN THE PRC WILL BE ACCOMPLISHED BY THE CAAC AUTHORITIES ON BEHALF OF, AND UNDER THE GUIDANCE OF THE FAA. THIS SURVEILLANCE WILL BE PERFORMED IN ACCORDANCE WITH FAA SURVEILLANCE PROCEDURES CONTAINED IN FAA ORDER 8120.2 OR CAAC PROCEDURES DETERMINED BY THE FAA TO BE EQUIVALENT TO THOSE CONTAINED IN ORDER 8120.2. THE CAAC SURVEILLANCE WILL BE AUGMENTED BY THE FAA IN THOSE AREAS DEEMED NECESSARY BY THE FAA TO FULFILL ITS CERTIFICATE MANAGEMENT RESPONSIBILITY. THE MUTUALLY AGREED UPON FUNCTIONS TO BE PERFORMED BY CAAC ON BEHALF OF THE FAA ARE LISTED BELOW. THE CAAC WILL PERFORM THESE FUNCTIONS AT THE SAIC FACILITIES AND REPORT ALL FINDINGS AND/OR MAKE RECOMMENDATIONS, AS APPROPRIATE, TO THE LOS ANGELES MANUFACTURING INSPECTION DISTRICT OFFICE. THE FUNCTIONS TO BE PERFORMED BY THE CAAC INCLUDE, BUT ARE NOT LIMITED TO:

1. WITNESSING OF FIRST ARTICLE INSPECTION/TESTING ON PARTS.
2. MONITORING CONTROLS ON SPECIAL PROCESSES.
3. CONDUCTING CONFORMITY INSPECTIONS/TEST WITNESSING TO PERTINENT DESIGN DATA ON PROTOTYPE OR PRODUCTION PARTS.
4. PERFORMING PRODUCT AUDIT INSPECTION ON ASSEMBLIES, PIECE PARTS AND INSTALLATIONS.
5. CONDUCTING INVESTIGATIONS OF SERVICE DIFFICULTIES.
6. PERFORMING FOLLOW-UP ON CORRECTIVE ACTIONS TO ENSURE THEY HAVE BEEN ACCOMPLISHED.
7. PERFORMING QUALITY CONTROL SYSTEM SURVEILLANCE ON A REGULARLY SCHEDULED BASIS.

WORKING PROCEDURES

8. REPORTING SURVEILLANCE ACTIVITY.

A WORKING PLAN CONCERNING THE CAAC REPORTING OF SURVEILLANCE ACTIVITY, SERVICE DIFFICULTIES, ETC., FAA ON-SITE SURVEILLANCE PARTICIPATION, FAA MONITORING OF DESIGNEES, AND OTHER FAA CERTIFICATE MANAGEMENT FUNCTIONS WILL BE DEVELOPED BY THE FAA, AS APPROPRIATE, IN COORDINATION WITH THE CAAC WITHIN 60 DAYS FROM THE DATE OF THIS WORKING PROCEDURE. (23)

FOR THE FEDERAL AVIATION
ADMINISTRATION
DEPARTMENT OF TRANSPORTATION
THE UNITED STATES OF AMERICA

BY:

Barbara Keith

MANAGER, TRANSPORT AIRPLANE
DIRECTORATE, ANM-100

FOR THE CIVIL AVIATION
ADMINISTRATION OF CHINA
MINISTRY OF FOREIGN AFFAIRS
THE PEOPLE'S REPUBLIC OF CHINA

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DEPUTY CHIEF, AIRWORTHINESS
ENGINEERING DIVISION, CAAC

DATE: JUN 27 1991

1991.10.19.